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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: TRADE AND DEVELOPMENT

Progress in the implementation of specific action related to the particular needs and problems of land-locked developing countries

Note by the Secretary-General

1. In its resolution 46/212 of 20 December 1991, the General Assembly, reiterating the importance of the specific actions related to the particular needs of the land-locked developing countries, welcomed the report of the Secretary-General of the United Nations Conference on Trade and Development (A/46/496, annex, and Add.1) and requested him to prepare another report on the topic, taking into account the provisions of the resolution, for submission to the Assembly at its forty-eighth session.

2. In pursuance of that request, the Secretary-General has the honour to transmit to the Assembly the report of the Secretary-General of the United Nations Conference on Trade and Development (see annex).

ANNEX

Specific actions related to the particular needs and problems of land-locked developing countries

Note by the UNCTAD secretariat

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I. INTRODUCTION

1. In resolution 46/212, the General Assembly welcomed the report of the Secretary-General of the United Nations Conference on Trade and Development on the progress being made to address the particular needs and problems of land-locked developing countries (A/46/496 and Add.1) and requested him to prepare another report for submission to the General Assembly at its forty-eighth session.

2. In paragraph 12 of the same resolution, the Assembly requested the Secretary-General to convene a meeting of governmental experts from developing land-locked and transit developing countries along with representatives of donor countries and financial and development institutions to review and propose appropriate concrete action to address the problems of land-locked developing countries. Such a meeting was held under the auspices of UNCTAD from 17 to 19 May 1993 at United Nations Headquarters in New York. Section II of the present report contains the agreed conclusions and recommendations of the meeting. The complete report was issued under the symbol TD/B/40(1)2-TD/B/LDC/AC.14.

3. In paragraph 10 of General Assembly resolution 46/212, the Secretary-General of the United Nations Conference on Trade and Development was invited to carry out, within the overall level of resources for the biennium 1992-1993, specific studies, inter alia, bearing in mind the need to address the concerns of transit developing countries, and to report on the results of the studies to the Trade and Development Board and the General Assembly at its forty-eighth session. The results of these studies are contained in section III of the report.

4. With regard to the follow-up to these studies, in paragraph 11 of the resolution, the Assembly invited the Secretary-General of UNCTAD to convene subregional symposiums/workshops of experts of land-locked and transit developing countries, on the basis of these studies.

5. In paragraph 9 of the resolution the General Assembly requested UNCTAD to keep under constant review the evolution of transport transit infrastructure facilities, institutions and services, monitor the implementation of agreed measures, collaborate on all relevant initiatives, including those of the private sector and non-governmental organizations, and serve as a focal point for cross-regional issues of interest to land-locked developing countries. In order to undertake the above review, the Secretary-General of UNCTAD sent a note verbale to member States, international and intergovernmental organizations and non-governmental bodies, requesting them to provide information on the actions being taken with regard to measures called for in the resolution. The replies received so far and the recent work of UNCTAD on behalf of the land-locked countries are contained in section IV below.

II. AGREED CONCLUSIONS AND RECOMMENDATIONS: PRIORITY AREAS AND MODALITIES FOR FURTHER ACTION TO IMPROVE TRANSIT SYSTEMS IN LAND-LOCKED AND TRANSIT DEVELOPING COUNTRIES

6. General Assembly resolution 46/212 reaffirms the right of access of land-locked countries to and from the sea and freedom of transit through the territory of transit States by all means of transport, in accordance with international law. It also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for land-locked developing countries should in no way infringe upon their legitimate interests. Furthermore, it calls upon both the land-locked developing countries and their transit neighbours, within the spirit of South/South cooperation, including bilateral cooperation, to implement measures to strengthen further their cooperative and collaborative efforts in dealing with their transit problems.

7. In order to respond to these challenges, land-locked and transit developing countries and donor countries and financial and development institutions should undertake concrete measures in a number of priority areas at national, subregional and international levels.

A. Priority areas for transit cooperation

1. Regulatory framework

8. Transit traffic is facilitated by agreements and conventions, appropriate bilateral and regional arrangements, and cooperative and collaborative efforts which establish the principles and modalities that govern the development of transit infrastructure, arrangements for its use, management and maintenance and day-to-day transit procedures. The problems which have to be addressed in relation to the regulatory framework are: the establishment of appropriate rules to govern transit in particular situations; and the establishment of an appropriate mechanism to ensure that rules are implemented.

9. At the multilateral level there are a range of conventions relevant to transit, some of which set out principles which can act as guidelines in formulating and implementing bilateral and subregional transit agreements, others being of a technical nature which could assist in developing frameworks for transit operations. The universal adherence to these conventions by land-locked and developing countries has been slow. These agreements are an important tool for improving transit systems, and international cooperation would be enhanced by their widespread application.

10. There are also a number of regional and subregional agreements related to transit. These cover such aspects as transit routes by rail, road and inland waterways, customs documentation and procedures, bonding guarantee systems, liability for goods, storage facilities for goods in transit, road maintenance regimes, road user charges, and procedures for clearing and forwarding. Some of the problems have often been related to poor formulation and weak monitoring of implementation and the settlement of disputes.

2. Transit facilities and services

11. The poor and deteriorating maintenance of road transit infrastructure is a general problem. Development of road transit infrastructure is handicapped by the general shortage of resources in developing countries. This has contributed significantly to the high costs of road services on which the international movement of cargo is still heavily dependent. In some regions agreements have been adopted to promote the adequate maintenance of road infrastructure through regulations related to the harmonization of vehicle axle-load weights and road user charges along international routes, but their implementation is still not universal, with adverse impact on the road infrastructure of the countries affected.

12. Despite the improvements in rail infrastructure in some regions following major rehabilitation programmes, some of which are funded by the donor community, there are still serious problems of equipment, and railways have been losing more traffic to roads because of the low quality of services. The major bottleneck is the low standard of management efficiency, although efforts are being made to move towards a more aggressive market-oriented enterprise policy of railway management. However the impact of these efforts is still to be felt. Inter-railway working agreements and arrangements between land-locked and transit countries have also helped improve the coordination of railway operations in some land-locked and transit countries, but there is still a need for improvements in this area.

13. Storage for transit cargo raises a number of difficult problems. Before transit cargo can be moved out of the port, procedures such as documents processing and customs clearance must first be completed. And this is more time-consuming for land-locked countries owing to the extra documentation and procedures required.

14. One of the main causes of delays and high transit costs both in ports and at border crossing points is customs procedures. Factors associated with this are late arrival of documents at the transit sea ports, cumbersome customs clearance procedures at the borders, long stays in warehouses with consequent important storage charges, losses and pilferage, expensive customs security bonds and low capabilities of clearing and forwarding agents. Trade facilitation is therefore even more relevant for land-locked countries, for which administrative procedures and time-consuming formalities are often duplicated.

15. Inadequate communication links between commercial centres in land-locked and transit countries, ports and overseas markets continue to be a major handicap inhibiting the speedy movement of transit cargo. This can lead to enormous delays in getting the cargo in and out of the ports, since there is irregular information on the time schedules for the arrival and departure of cargo. The costs caused by such delays are considerable.

16. The particularly adverse circumstances affecting the movement of transit traffic to and from the land-locked developing countries expose cargo to risks of loss and damage, thus giving rise to higher insurance premiums. There are instances where goods are subject to prolonged inspection and are sometimes made to wait in congested, unprotected and inadequate premises and have to be

reloaded before they can continue their inland journey - factors which often increase the risk.

17. The trend towards increased containerization offers the opportunity to increase the security of transit cargo, reduce the risks of customs frauds, and undertake the door-to-door movement of goods performed under the responsibility of a single multimodal transport operator. However, many land-locked and transit developing countries are not yet in a position to take full advantage of these new technological and organizational changes in international transport.

18. There is an acute shortage of trained human resources in both the land-locked and transit countries to meet the requirements of efficient management of transit operations at all levels. This constraint has had an extremely adverse impact on the quality of transit services and has contributed to high transit costs.

19. Transport policies of transit countries are formulated within the framework of overall domestic transport strategy, and investment in transport infrastructure may be treated marginally owing to the competition for scarce resources by all sectors of the economy. The inadequacy of transit facilities in transit countries may therefore as a result have an adverse impact on the cost of transit services.

B. Modalities for action to improve transit systems

1. International conventions

20. Land-locked and transit countries should make concerted efforts to become parties to and implement international conventions relevant to transit, as appropriate.

(i) A suitable approach in this regard would be to seek technical assistance from relevant multilateral agencies in order to determine the implications for adherence to such conventions and the technical procedures involved both before ratification and thereafter.

(ii) Since some of these conventions have provisions related to the rights and duties of both land-locked and transit States, like the 1965 Convention on Transit Trade of Land-locked States, it would be most appropriate if joint consultations were held with the aim of considering becoming party to, ratifying, and implementing these conventions concurrently.

2. Subregional action

21. Land-locked and transit countries should make concerted efforts to implement bilateral and subregional agreements and arrangements.

(i) The should make increased efforts to further harmonize and streamline customs documentation and procedures related to transit in line with international models of aligned documents developed by the Customs

Cooperation Council and UNCTAD. Other existing transit documents for port and cross-border operations also generally require extensive simplification and harmonization. It is urged that institutional arrangements such as the establishment of Trade/Transit Facilitation Committees - which monitor and assist in the implementation of agreed documents and procedures - be made where they do not exist, and where they exist they should be strengthened.

(ii) Land-locked and transit countries should agree to standardize the regulations governing carriers' liability in the form of inter-State agreements for each type of carrier (road, railways, inland waterways and multimodal transport operators) based on the general guidelines of the Convention on the International Carriage of Goods by Road (CMR) and the International Convention concerning the Carriage of Goods by Rail (CIM) and taking into consideration regional circumstances.

(iii) The harmonization of procedures for road maintenance in transit corridors also calls for full cooperation between land-locked and transit countries. This should include: harmonized road user charges based on the principle that transit traffic, including nationally registered vehicles involved in transit operations, pays for the costs of providing and maintaining the highways used; the allocation of revenue realized from such payments to road maintenance; and the coordinated enforcement of uniform axle-load limits and weigh-bridges.

(iv) The liberalization of trade in road transit services can only have an effective impact if land-locked and transit States jointly agree to adopt similar coordinated policies. These should include the harmonization of rules and procedures governing the operation of non-national carriers of transit goods in each other's territory (which currently include permits, licences, cargo-sharing systems) and the rationalization of subsidies to national carriers involved in international road transit, in line with regional and subregional policies to liberalize trade and services.

(v) Land-locked and transit countries should undertake other initiatives to facilitate transit operations which include: the promotion of bilateral joint ventures in the field of transport; the improvement of communication services and management information systems; the movement of road vehicles or railroad rolling stock across the frontiers of the land-locked and transit countries.

(vi) Land-locked and transit countries should establish institutional mechanisms to monitor and enforce the cooperative arrangements made between land-locked and transit States. There cannot be any model institutional mechanism to which all transit agreements and arrangements should subscribe because the circumstances surrounding each case are different. What is important is that a mechanism for regular dialogue exists because, without this, meetings are only convened to resolve an impending crisis. Clearly, where several countries and different modes of transport are involved, establishment of small secretariats and an intergovernmental consultative machinery for regular consultation is a good investment. At the operational

level, arrangements should be made for regular consultations between operational executives of the Governments of land-locked and transit countries with the users of the transit facilities with a view to the expeditious solution of day-to-day problems.

(vii) Subregional or corridor-specific private sector associations of road transporters, shippers councils and freight forwarders from land-locked and transit States should be formed and, where they exist, they should be strengthened, most appropriately with the support of the Chambers of Commerce.

22. Land-locked and transit countries should further promote regional and subregional trade arrangements and cooperation, and UNCTAD, ITC and the regional commissions are called upon to support these efforts.

3. National action

23. While action at the subregional level is the key to improvement of transit systems, such action will have more success if it is supported by measures at the national level. These include some measures which are specific to land-locked or transit countries, and some measures which are relevant to both groups of countries.

(i) Land-locked countries should re-assess the impact on the efficiency of transit operations of government regulation which, inter alia, includes the use of foreign exchange procedures to regulate the volume of the flow of transit cargo, particularly with respect to imports; price control to support indigenous road hauliers; restrictions on the use of certain modes of transport; and measures designed to encourage route diversification. Government intervention should be reduced whenever such intervention results in avoidable costs.

(ii) In order to minimize the delays associated with customs and clearance procedures in ocean ports, land-locked countries should vigorously promote the development of dry inland ports where volumes of traffic are sufficient and, most appropriately, the establishment of institutions to propel such promotional work, in close liaison with the private sector and wherever possible with transit States. Furthermore, they should seek to elaborate a procedural framework, including adequate legislation for through transit.

(iii) Transit countries should encourage port authorities to look for transit cargoes actively. These efforts should be accompanied by measures which enhance the logistical efficiency of importers and exporters in the land-locked countries, including the provision of storage and handling facilities for transit cargo, improved procedures and lobbying for inland transport services. The management of ports should move towards a more market-oriented policy, and port authorities should be given greater management authority to effect changes.

(iv) Both land-locked and transit countries should take action to attract transit traffic to existing inter-country railway lines through measures which improve the quality of service and managerial restructuring of railway authorities, without discounting the possibilities of investing in new railway networks where this is deemed viable.

(v) Both land-locked and transit countries should intensify human resource development programmes targeted at transit system requirements, particularly with reference to: organization and management of road and rail transit services; establishment and management of transport terminals, including container depots and dry ports; supervisory and operational functions related to other areas of transit operations (insurance, airfreighting and customs documentation). These measures should be complemented by human resources development programmes at the subregional level. UNCTAD's ongoing technical assistance work is a good example in this area.

(vi) In some land-locked and transit countries there is an urgent need to take measures to increase the professional standing of freight forwarders. Small and medium-scale freight forwarders should be fostered through human resource and institutional development programmes.

(vii) Both land-locked and transit countries should cooperate with national subregional insurance and banking institutions in facilitating warehouse-to-warehouse cargo insurance. Land-locked countries should not impose restrictions on the choice of the insurance, leaving the insured to select the best insurance cover with the most reasonable rate of premium.

24. Many of the rules governing transit trade have evolved in the context of measures to protect the legitimate interests of involved countries. Further examination, evaluation and measures should be seen in the light of securing a balance between the legitimate interests of both land-locked and transit developing countries.

4. International action

25. The donor community is supporting various programmes to promote the improvement of transit systems in various regions and subregions. Given the continued economic crises which land-locked and transit countries are facing and their inability to maintain efficient transit systems, the donor community should reassess its approach to assistance to improve transit systems, as appropriate, in its response to the requirements of these countries.

(i) Donor countries and financial and development institutions should give priority to projects and programmes as appropriate which adopt a subregional/corridor approach to the improvement of transit systems, and which adequately serve the needs of both land-locked and transit countries.

(ii) Donor countries and multilateral financial and development institutions should provide land-locked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and transit infrastructures and facilities, including alternative routes and improved communications.

(iii) The criteria for the elaboration of financial and technical assistance projects should take account of the especially difficult circumstances of these countries, without compromising the viability of these projects.

(iv) UNCTAD and appropriate financial institutions will continue to provide technical assistance to support the land-locked and transit countries in their efforts to improve the transit systems and will thus make their contribution in the various areas mentioned above. There are, however, some areas where consideration should be given to enhancing UNCTAD's role in collaboration with other relevant agencies, particularly the regional commissions. Such areas include:

- Accumulating, evaluating and disseminating information on transit matters, drawing lessons from experiences in different regions and subregions with regard to the design and improvement of transit systems;

- Carrying out transit-related studies which help decision makers, particularly with a view to identifying critical bottlenecks which could be removed quickly and at minimum cost, in such areas as the analysis of transit costs and their implications, the role of information systems in improving transit operations, modalities for improved access to markets for the exports of land-locked developing countries, measures to attract foreign investment, and the identification of successful approaches to cooperative arrangements;

- Organizing training programmes tailored to the needs of transit policy-makers, managers and operators;

- Monitoring the progress in the implementation of action by the international community related to the transit needs and problems of land-locked developing countries;

- Formulating measures to be adopted at the national, subregional and international levels to improve the transit systems in the light of changing economic and political environments.

(v) There is a need to evaluate the transit systems of the newly independent land-locked States in Central Asia and Transcaucasia and to elaborate a programme for improving the efficiency of the current transit environment. These countries are seeking to enter world markets, and this requires the establishment of a complex multi-country transit system, including transit links between the

Central Asian States and neighbouring and southern Asian transit countries. Various forms of international technical and financial assistance will be required in this respect, including a general survey of transit infrastructure and rehabilitation needs in support of national and regional efforts and programmes. In this regard the work being done by ESCAP in the context of ECO can provide a basis for further elaboration.

C. Follow-up action of the tripartite conclusions

26. The meeting recommends the following modalities to monitor the implementation of agreed recommendations.

(i) The holding of a similar meeting of governmental experts from developing land-locked and developing transit countries, donor countries and financial and development institutions every two years, at or around the time of sessions of the Trade and Development Board or the General Assembly.

(ii) The holding of regular regional symposiums to monitor progress of implementation of agreed conclusions at or around the time of the meetings of the regional commissions.

III. RESULTS OF SPECIFIC STUDIES RELATED TO TRANSIT AND ITS ALTERNATIVES

27. Paragraph 10 of General Assembly resolution 46/212 invites the Secretary-General of the United Nations Conference on Trade and Development to carry out, within the overall level of resources for the biennium 1992-1993, specific studies in the following areas, inter alia, bearing in mind the need to address the concerns for transit developing countries, and to report on the results of the studies to the Trade and Development Board and the General Assembly at its forty-eighth session:

(a) Implications of high transit costs on the overall development of the land-locked developing countries;

(b) Identification of specific areas in the context of subregional and regional cooperation for the promotion and integration of transit infrastructure and services and harmonization of transit transport policies and legislation and the assessment of regional trade possibilities for the expansion of the trade sector of land-locked developing countries;

(c) Improvement of current transit insurance regimes;

(d) Application of new information technology to improve transit services;

(e) Identification of specific training needs to improve the managerial capacities and the skills of personnel involved in transit operations to ensure effective utilization of transit transport facilities;

(f) Development and expansion of all other alternatives and/or complements to ground transportation in order to improve the access of land-locked countries to foreign markets.

A. Implications of high transit costs on the overall development of the land-locked developing countries

28. The study 1/ on transit costs and their implications for the overall development of land-locked developing countries demonstrates, using IMF balance of payments statistics, that for imports, freight costs were approximately 4.4 per cent of the c.i.f. import value of developed market economies and 8.8 per cent of the c.i.f. import value of developing countries in 1990. However, for land-locked developing countries in West Africa, they represented approximately 22 per cent; in East Africa, approximately 16.5 per cent; and in Latin America, approximately 14 per cent. For exports, a range of statistics shows that costs of exporting from a central point of loading within land-locked countries (ex-works, ex-factory, ex-mail, ex-plantation, ex-warehouse, etc.) to f.o.b. at the seaport of shipment overseas constitute up to 32 per cent of the f.o.b. value (taxes excluded) and up to 47 per cent of the ex-works value of a range of commodities.

29. International transport costs act as a barrier to trade which is analogous in its effects to import duties and export taxes. They reduce the competitiveness of producers in land-locked countries supplying overseas markets. At the same time they afford considerable natural protection from overseas competitors to producers within land-locked countries supplying domestic markets. Viewed in this light, the international transport costs of land-locked developing countries resemble an inward-oriented trade regime which is biased against production for export. Although it is still a matter of debate for some, such a trade regime has usually been associated with low rates of national economic growth; major policy reforms have thus been put in place in many countries to bring about a transition to an outward-oriented trade regime which does not discriminate between production for the domestic market and exports, nor between purchases of domestic goods and foreign goods. These efforts are now being extended to the field of international transport, as some countries take measures to upgrade port services and deregulate international shipping. However, an important component of the international transport costs of land-locked countries is incurred during transit operations between their borders and the sea. These costs can be modified in limited ways by their own domestic reform measures regarding international transport policy, but ultimately most costs are cooperation-dependent. That is, regional cooperation measures of various kinds are the major way in which these costs can be influenced.

B. Subregional and regional cooperation

1. Identification of specific areas for the promotion and integration of transit infrastructure and services and harmonization of transit transport policies and legislation

30. Specific areas for subregional and regional cooperation, with regard to transit infrastructure, services, policies and legislation, are identified in five subregional studies of transit systems serving land-locked developing countries, and are synthesized in a general overview of the current situation and proposals for future action. 2/ For transit infrastructure, the practical experience of SATCC shows how it is possible to mobilize resources for international transport projects within a regional and inter-modal framework, based on comprehensive subregional traffic forecasts. For land-locked countries transit routes to the sea can also be improved within programmes to develop an integrated subregional and regional transport network, such as the development of Trans-Africa Highways; Asian Land Transport Infrastructure Development (ALTID); and the "Correador de los Libertadores" railway development project launched in Latin America by Bolivia, Peru, Brazil, Paraguay, Argentina and Chile. Specific areas for subregional and regional cooperation for the promotion and integration of transit services include measures to increase competition between, and to enhance the capabilities of, the providers of transit services. For the former, measures to liberalize trade in road transit services are important. For the latter, human resource development programmes, developed and delivered on a subregional basis, are important as is the formation of subregional associations of road transporters, shippers' councils and freight forwarders from land-locked and transit developing countries.

31. With regard to the harmonization of transit transport policies, a specific area where considerable progress can be made is elaboration of working arrangements and ongoing discussions between key operational units, for example customs authorities or railway organizations in transit and land-locked countries. The main specific areas for subregional and regional cooperation in terms of the harmonization of legislation are: customs transit regimes; road maintenance regimes; carriers' liability regimes; and the range of legislation required to facilitate international road transport operations. A major problem in the process of regional and subregional cooperation is implementation. A key area for cooperation in this regard is the establishment of institutional mechanisms to monitor and enforce cooperative arrangements.

2. Assessment of the regional trade possibilities for the expansion of the trade sector of land-locked developing countries

32. An assessment of regional trade possibilities was made in Africa, South of the Sahara, with particular reference to land-locked countries. 3/ An analysis of the volume of trade in "matching products" (products both exported from and imported to a subregion) reveals that such products constitute approximately 50 per cent of total annual imports of PTA and ECOWAS, and 33 per cent of total annual imports of ECCAS. The International Trade Centre (ITC) has been developing a mechanism for the identification and dissemination of information

on trading opportunities aimed at expanding trade flows at the subregional level. In the long term, the potential of intra-subregional trade will depend on the capacity to increase production in those areas where land-locked countries have a comparative advantage and on the degree of factor mobility at the subregional level.

C. Improvement of current transit insurance regimes

33. The study 4/ on the improvement of current transit insurance arrangements shows that procedural and infrastructural deficiencies in the transit systems serving land-locked countries mean that the transport of goods imported to and exported from land-locked countries results in extra hazards compared with their neighbouring coastal countries. Insurers' experience has shown that most of the loss or damage to cargoes of land-locked countries occurs during the inland leg of transport. If they accept to cover this part of transport, many insurers quote relatively high rates. Moreover, when inland transport or port conditions are known to be deficient or insecure, many overseas insurers abstain from giving cover based on the "Warehouse to Warehouse Clause". Local insurers are generally inclined to grant cover on a "Warehouse to Warehouse" basis. However, their capacity to satisfy the requirements of the insured is often hampered by a variety of factors.

34. Because of the small volume of business they write, local insurers have had to quote rates relatively higher than those offered by overseas insurers. Also, because of the lack of balance between such premium volume and the corresponding commitments, local insurers have had to reinsure heavily abroad, resulting in an important outflow of foreign exchange. Furthermore, in contrast to overseas companies, local companies in land-locked countries often lacked the ancillary services which marine insurers require to service claims, such as qualified surveyors, average adjusters, et al., a situation which has led to many delays in the settlement of claims and often to litigation before the courts.

35. To support their national companies and to save foreign exchange, many Governments in developing countries, including land-locked countries, have enacted rules and regulations providing that imports should be insured locally. However, local insurance has meant that importers were indemnified in case of loss or damage to their merchandise in local currency, whereas the replacement or repair of loss or damage to goods imported required foreign exchange. This led many importers in these countries to continue in a discreet way to buy maximal covers abroad in foreign currency, while taking minimal covers in the local market. Such duplication of covers clearly increases the cost of imported goods.

36. While the real solution to alleviate difficulties encountered in cargo insurance is improvement of transit infrastructure, services and procedures, transit insurances regimes may be improved through four specific measures. First, Governments should lift restrictions on the free choice of insurers while at the same time taking measures to ensure a proper supply of insurance cover by the local insurance markets. In this respect it may be appropriate to allow local insurers to seek agency appointments from larger marine insurers in international markets, to write on their behalf, and to share with them marine business on a co-insurance basis. Secondly, where regulatory measures providing

for local insurance on imports cannot be relaxed or waived altogether for political and financial considerations, local insurers should attempt to obtain more extensive and comprehensive reinsurance facilities from their international reinsurers so as to be able to meet as fully as possible the demand for cover in the local market. Thirdly, insurers in land-locked countries should invest in loss prevention and loss minimization by, for example, concluding agreements with specialist firms to attend cargoes at port, to ensure adequate and timely loading and unloading, to help to arrange repacking of any goods that are damaged, and to sell them for the benefit of the insurers, the insured, or both.

37. Finally, there is a need to make transporters and warehouse operators accountable for the safe delivery of goods in their custody. In developing the regulatory framework for carriers' liability, three European conventions might serve as models to be adapted to the particularities of the situation facing land-locked developing countries. These conventions are: the Convention on the carriage of goods by road (CMR); the Convention on the carriage of goods by rail (CIM); and the Convention on the liability of operation of transport terminals in international trade (adopted in Vienna in 1991). The recognition of the liability of carriers should also be associated with regulations rendering compulsory the covering of such liability by insurance.

D. Application of new information technology to improve transit services

38. An assessment 5/ was made of both the potential and the problems of the application of new information technology to improve transit services, in the light of three major initiatives within UNCTAD: (i) the Advance Cargo Information System (ACIS); (ii) the Automated System for Customs Data and Management (ASYCUDA); and (iii) the Trade Point Programme. The assessment noted that the level of human resource development in land-locked developing countries was generally very low; organizational capacities were weak; and telecommunications infrastructure linking seaports to inland destinations was often unreliable. In these circumstances, the difficulties of implementing electronic data interchange to improve transit systems should not be underestimated.

39. Efforts need to be directed therefore towards investing in the improvement of communications infrastructure in key transit corridors, and to integrating, where appropriate, computer skills into the human resource and institutional development programmes directed at providers of transit services. At the same time, however, it will be worthwhile to build upon present initiatives, particularly because transfer of technology and training are subsumed under implementation. The main immediate priorities will be:

(i) To explore, through case-studies of working systems, the possibilities of improving customs transit procedures through, for example ASYCUDA;

(ii) To interconnect adjacent national applications of the ACIS modal tracking modules into an international transport network.

E. Identification of specific training needs to improve the managerial capacities and the skills of personnel involved in transit operations to ensure effective utilization of transit transport facilities

40. The study 6/ identifying specific training needs to improve the managerial capacities and the skills of personnel involved in transit operations stated that the focus of training activities should be placed on operations and logistics, and that training activities should be designed to contribute to improving overall efficiency of transit services and to promoting more effective utilization of available transit transport facilities. Achieving this objective is complex. Transit operations, by their nature, involve many different actors. The study recommended that all service providers be targeted on a selective basis to enhance their performance, through training in such areas as management concepts and practices; equipment operations and skills; professional skills of key service sectors (e.g. freight forwarding, warehousing); and planning, monitoring and marketing tools. On the basis of a general understanding of transit operations, the study identified 35 training profiles, including functional training areas, training needs in relation to transit efficiency, training objectives, general course orientation, and target groups. The target groups include service providers in both land-locked and transit countries.

41. The study also considered implementation issues. It notes that UNCTAD and ITC appeared to be the only international organizations which had developed (or were developing) training programmes for trade logistics and transportation operations with a direct bearing on transit. However, the training materials had been designed to serve general requirements and would have to be re-cast and adjusted to focus on transit operations. Finally, the study emphasized that training to improve transit operations should be fitted into a general human-resources development strategy and policy framework, and that a number of non-governmental organizations had a role to play in developing and delivering training activities.

F. Development and expansion of all other alternatives and/or complements to ground transportation in order to improve the access of land-locked countries to foreign markets

42. A study was completed on the role of air freight in African land-locked developing countries. It was aimed at assessing possibilities of improving access of land-locked countries to foreign markets through alternatives and/or complements to ground transportation. 7/ It stated that although these countries had a great need for air transport - both passenger and freight - they lacked many of the characteristics which would allow economic provision of much air freight capacity. Nevertheless, there was some evidence to suggest that land-locked sub-Saharan African countries rely more on air freight for exports than other countries in the region.

43. The problems constraining the development of air freight are both supply-side and demand-side factors. On the supply-side, air freight capacity is provided by African and extraregional, mainly European, carriers. The aircraft fleets of individual African carriers in land-locked countries are small; the airlines' networks are dispersed and aircraft utilization is low;

costs are high; and productivity of airline staff is low, due to low skill levels and overstaffing. Over 75 per cent of all the scheduled air freight capacity is offered by European carriers. Available freight capacity is limited and it is also difficult to obtain the required quality of transport to European markets because of poor warehousing with inadequate cold storage. Other problems at major airports are documentation, security and handling systems. Ground access to airports from points beyond the environs of capital cities can also be difficult, and foreign carriers prefer a multi-stop service to interlining with African carriers at a regional hub airport, because the feeder services tend to have low frequency, poor regularity and use small aircraft.

44. On the demand side, most of the exports of the land-locked countries have a low value-to-weight ratio and are unable to justify the costs of air freighting. The commodities which are being, and are most likely to be, exported are largely of the horticultural sector, fresh fruit and vegetables, fresh cut flowers, and fresh fish. The seasonality of these products is a further problem.

45. The study makes a number of recommendations aimed at loosening some of the constraints of the development of air freight. On the demand side, the quality of products must be raised at the point of loading, ideally by involving the buyer in the total production and logistic process. On the supply side, airlines should be managed on a sound commercial basis; staffing levels should be reduced and training reinforced to increase productivity; business communications and management systems should be upgraded; the development of provincial airfields and feeder services should be encouraged; air transport systems plans should be made; and competition in the provision of airlines and airport services, with fuel as a priority, is required. Furthermore, a reorganization of airlines with cooperative ventures and fleet rationalization should also be promoted.

IV. SPECIFIC ACTION BY THE INTERNATIONAL COMMUNITY IN FAVOUR OF LAND-LOCKED DEVELOPING COUNTRIES

46. In paragraph 9, General Assembly resolution 46/212 takes note with appreciation of the contribution of the United Nations Conference on Trade and Development in formulating international measures to deal with the special problems of the land-locked developing countries, and urges the Conference to, inter alia, keep under constant review the evolution of transport transit infrastructure facilities, institutions and services, monitor the implementation of agreed measures, collaborate on all relevant initiatives, including those of the private sector and non-governmental organizations, and serve as a focal point for cross-regional issues of interest to land-locked developing countries. In order to undertake this review, the Secretary-General of UNCTAD addressed a note verbale dated 20 October 1992 to all States members of UNCTAD, international and intergovernmental organizations and relevant non-governmental bodies, inviting them to provide him with such information as, in their opinion, would assist in the above review. Particularly sought was information that could indicate the actions undertaken and the policies adopted or envisaged in implementation of the above-mentioned resolution, as well as a description of any difficulties or obstacles which might have been encountered. This report prepared by the UNCTAD secretariat is based on the replies received and on

UNCTAD's own work related to the particular needs and problems of land-locked developing countries.

A. Information received from individual countries

1. Austria

47. Austria extends technical assistance to land-locked developing countries and supports activities of multilateral institutions in this area. During the period 1991-1992, Austria organized training for six customs officials from five land-locked developing countries: Botswana, Lesotho, Malawi, Uganda and Zimbabwe. Austria also provided financial assistance to these countries through multilateral institutions, such as the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations Development Programme and the World Bank/IDA.

2. Belgium

48. Belgium provides aid, including technical assistance to several land-locked developing countries under bilateral, multilateral and non-governmental programmes. A total of 51.9 billion Belgian francs has been disbursed to 20 of these countries during the period 1985-1991. During this period, the greater part of assistance to land-locked countries was spent on education, health and agriculture, although food-aid was also important for some of them.

3. Burundi

49. During the last five years, the transit costs incurred by Burundi's exporters and importers have declined because of improvements in the transit system. This in turn is the result of improved road conditions and modernization of transport infrastructure, harmonization of transit documentation and procedures, and lifting of regulations involving additional costs to escort cargo in transit. Poor road conditions in Tanzania, however, remained a serious constraint along the central route to the port of Dar-es-Salaam.

4. Brazil

50. Brazil has signed technical cooperation agreements with Bolivia and Paraguay - the two land-locked countries in Latin America. These agreements provide the framework under which Brazilian experts execute development projects in Bolivia and Paraguay; students or technicians from these countries are offered training opportunities in Brazil. The range of activities covered under technical cooperation is wide. In 1991-1992, the programme of activities between Brazil and Bolivia covered the following areas: support for small and medium enterprises, rural development, environment and public administration. Technical cooperation between Brazil and Paraguay during this period covered a number of sectors, namely: health, agriculture, transport, public administration, sanitation and industry.

5. Colombia

51. Colombia holds to its bilateral commitments made within the framework of subregional integration agreements intended to improve the transit arrangements for the movement of cargo and passengers between land-locked and transit countries. Accordingly, Colombia supports the provisions of General Assembly resolution 46/212, designed to solve the problems of land-locked countries. Colombia has also repeatedly supported the case of Bolivia in the meetings of the Organization of American States.

6. Cuba

52. The Government of Cuba attaches importance to measures designed to solve the problems of land-locked countries. In this connection, Cuba supports the cooperation agreements between land-locked developing countries and their transit coastal countries as well as the efforts of international financial institutions and donor countries to assist these countries.

7. Germany

53. The German Government provides assistance to a number of land-locked developing countries in Africa and Latin America. While the magnitude of aid to these countries is within the limits of the normal allocation for developing countries, Germany also takes account of their particular difficulties, by supporting national and subregional projects in the transport sector. Accordingly Bolivia received DM 126 million for the rehabilitation and servicing of locomotives as well as for road construction and maintenance. Assistance for road and rail sectors in Africa amounted to DM 37 million for Zambia, DM 10 million for Rwanda, DM 84 million for Chad and DM 96.4 million for Uganda. The Southern African Development Coordination Conference (SADCC) received DM 30 million for rail projects.

8. India

54. The Government of India provided the following information:

Transit facilities granted to Bhutan by India

1. Customs notifications are issued for transit of Bhutan's Import/Export Cargo from/for third country through India without payment of customs duties.

2. 13 Land Customs Stations on Indo/Bhutan Border are opened for allowing trade of Bhutan with third countries.

3. Special instructions are issued to the concerned Collector of Customs for grant of appropriate countries and expeditious customs clearance for officials (and household goods) on the transfer of the officials from their mission in New Delhi to other countries.

4. Permission is granted for payment of transit goods through non-protocol routes in special circumstances.

5. Merchant ships sailing under the flag of Bhutan are accorded treatment no less favourable than that accorded to ships of any other foreign country in respect of matters relating to navigation entry into and departure from the Indian ports, use of ports and the harbour facilities in India, as well as loading and unloading dues, taxes and other levies.

6. Government of India provides refund of excise duties on goods of its origin to Bhutan.

7. India has bilateral air services agreement with Bhutan.

8. All exports and imports of Bhutan to and from countries other than India are free from customs duties and trade restrictions of the Government of India. Transit on such goods through the territory of India is allowed through exit/entry points mutually agreed upon.

Transit facilities granted to Nepal by India

1. 22 Land Customs Stations have been opened for transit trade of Nepal with third countries.

2. Vessels carrying cargo for Nepal from third countries are permitted berthing facility at Calcutta Port.

3. Warehousing facility has been provided at Calcutta Port for all Nepalese Import/Export Cargo.

4. Nepalese vehicles are allowed to carry their goods from Nepal to Nepal via Indian territory without any restriction.

5. Nepalese Private Commercial vehicles are allowed to carry their Import/Export Cargo up to Calcutta Haldia Port.

6. Customs notifications are issued for permitting transit of Import/Export Cargo of Nepal from third countries through Indian territory without payment of any customs duties.

7. Special permission is granted to the officers working in the mission of Nepal for carrying their household goods from Nepal into India.

8. Government of India allows to Nepal payment of excise and other duty collected by Government of India on goods produced in India and exported to Nepal.

9. India allows freedom of transit for Nepalese third country trade across its territories through routes mutually agreed upon.

10. India has bilateral air services agreement with Nepal.

11. India imports crude on behalf of Nepal and supplies a range of petroleum products to Nepal.

9. Kenya

55. Kenya intends to improve port facilities at Mombasa with a view to attracting more transit traffic. With regard to development of infrastructure facilities, the following measures were undertaken or are under consideration: rehabilitation of the road network, improvement of rail operations, the establishment of two more internal container depots, extension of the oil pipeline to western Kenya and provision of adequate transit facilities at border points. The Government is in the process of reviewing such issues as police escorts for transit cargo and verification of goods in transit at the port of Mombasa in order further to facilitate transit traffic.

10. Namibia

56. Namibia at present has one port suitable for use by sea-going vessels. The port is situated within the Walvis Bay enclave. The Government of Namibia facilitates the transport of goods to and from its land-locked neighbouring countries. To this effect, it is upgrading the Trans-Caprivi and Trans-Kalahari highways. Both these routes have been accepted by the Southern African Development Community as part of the subregional trunk road network. Improvement of certain parts of the Trans-Kalahari highway is under way with the assistance of the African Development Bank.

11. Nepal

57. In recent years, the transit system for Nepal's external trade has improved, mainly as a result of the rapid clearance of cargo at the port of Calcutta as well as the increased use of road transport which is more efficient than transport by rail. The use of roads has reduced loss and damage to cargo and the transit times from border posts to internal destinations. There is, however, a need to simplify transit formalities and procedures in order further to facilitate the movement of transit traffic. There is also a need to expand storage facilities at border points.

12. Peru

58. On 24 February 1992, the presidents of Peru and Bolivia signed agreements known as Ilo Conventions, with the objective of designing policies and actions to facilitate Bolivian access to the Pacific Ocean. Under these agreements, Peru has transferred to Bolivia the management responsibilities for a part of the industrial free zone of Ilo port. Moreover, the Peruvian Government provides Bolivia with all the necessary transit facilities for the movement of goods to Bolivia. Furthermore, the Government of Peru has agreed that Bolivia take on the management of a touristic free zone on the beach around the port of Ilo for a period of 99 years. The Government of Bolivia has also undertaken to offer similar facilities to Peru for using the waterway of Puerto Suarez which

provides access to the Atlantic Ocean. With reference to the transit of passengers, Peru and Bolivia have entered into an agreement whereby only an identification document is necessary for crossing the borders, thus eliminating the need for passports. The two Governments have also agreed to make joint efforts to obtain the necessary financial resources for improving the condition of the Ilo-Desaguadero-La Paz road.

13. Rwanda

59. The use of a unified customs document, namely the Road Customs Transit Declaration, has helped to improve transit transport via Kenya. Poor road conditions in Tanzania and Kenya and security problems along the route via Uganda since October 1990 have, however, continued to constrain transit transport. Measures to alleviate these problems are urgently required.

14. Switzerland

60. Swiss development cooperation is based on the Federal Law of 19 March 1976 relating to development cooperation and international humanitarian aid. Pursuant to article 5 of that law, priority for Swiss development cooperation is accorded to developing countries, regions and poor segments of populations. For the definition of special categories of countries which may deserve special attention, Switzerland takes into account the list of countries established from time to time by the United Nations. In this context, Switzerland does not accord special measures for land-locked developing countries or island developing countries. However since some of these countries are among the poorest countries, they enjoy Swiss preferential customs tariff measures and STABEX facilities reserved for such countries.

B. Information received from international organizations

1. United Nations bodies and programmes

(a) Economic Commission for Africa (ECA)

61. The work programme of the ECA secretariat in favour of land-locked countries focuses on the following areas: transport and communications, statistics, economic cooperation, food and agriculture. With respect to the transport sector, ECA plays an important role in coordinating the implementation of UNCTACDA II. This programme is designed to consolidate and expand the transport and communications network in Africa and to provide related technical assistance. One of its major objectives is to develop transit corridors serving land-locked countries. Land-locked countries also benefit from the joint ECA/World Bank project on a Sub-Sahara Transport Programme. It focuses on the identification of problems associated with road deterioration and poor maintenance. Other ECA actions of particular benefit to the land-locked countries include the feasibility study on the creation of a joint cargo airline for Burundi, Rwanda and Zaire and advisory services to promote economic cooperation.

(b) Economic and Social Commission for Asia and the Pacific (ESCAP)

62. Activities within ESCAP in support of land-locked countries largely take the form of surveys, research, technical and advisory services. The scope of work in the ESCAP region has expanded since the six newly independent land-locked countries of Central Asia became members in April 1992. They are Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. A joint ESCAP/ADB mission to the central Asian republics, which was undertaken in July/August 1992, has identified transport and communication bottlenecks and measures needed to help these countries to facilitate both their inter-State transport and trade as well as their access to world markets. ESCAP has established a special Body on Least Developed and Land-locked Countries with a mandate to discuss the special problems of these countries, and to mobilize international support in their favour. The Transport and Communications Decade for Asia and the Pacific (1985-1994) adopted by the ESCAP Ministerial Meeting in June 1992, has as a major component an integrated project on Asian land-transport infrastructure development. It will, inter alia, develop a network of roads and railways in the region that will provide secure transit corridors for land-locked countries.

(c) United Nations Conference on Trade and Development (UNCTAD)

63. In response to General Assembly resolution 46/212, the Secretary-General of UNCTAD convened a meeting of governmental experts from land-locked and transit developing countries and representatives of donor countries as well as financial and development institutions to review and propose appropriate concrete action to address the problems of land-locked developing countries. The meeting took place in New York from 17 to 19 May 1993 under the auspices of UNCTAD. A set of agreed conclusions and recommendations to improve transit systems was adopted. The report of the meeting is before the current session of the Trade and Development Board and will be forwarded to the General Assembly for consideration (TD/B/40(I)3-TD/B/LDC/AC.14).

64. Land-locked countries benefit from a range of UNCTAD executed technical cooperation projects in such areas as customs management (ASYCUDA), maritime training (TRAINMAR) and economic cooperation among developing countries. Assistance focused specifically on transit problems is provided through three subregional projects in southern, east/central and west/central Africa. They are supported by UNDP and the United States Agency for International Development with respect to the southern African project. These projects have focused on the following areas:

(i) Support in the development, simplification and application of national and inter-State transit documents

65. In southern Africa, the project is aimed at consolidating past work in the United Republic of Tanzania, Zambia and Malawi by assisting in the implementation of agreed trade and transit documentation. Streamlined documentation has contributed significantly to the reduction of delays in the clearing and forwarding of transit cargoes. During the recent emergency operations to move supplies to the drought-stricken areas of the subregion, the project had facilitated cross-border customs and administrative procedures. In east Africa, the project focused on assisting the Governments of Burundi, Kenya,

Rwanda, Uganda, the United Republic of Tanzania, and Zaire to implement the newly introduced road and rail transit documents along the northern corridor to the port of Mombasa and the Central Corridor to the port of Dar-es-Salaam. In west Africa, the project's ongoing efforts have been aimed at helping the land-locked countries of Burkina Faso, the Central African Republic, Chad, Mali and Niger, and their transit neighbours in their negotiations to coordinate their national customs and administrative procedures and regulations governing the flow of transit traffic, particularly with regard to border controls, police escorts for transit cargo and harmonization of customs documents.

66. The three projects have each established technical consultative machinery for monitoring the implementation; it involves the representatives of both the public and private sectors. Regular national workshops are also held as part of the related capacity-building efforts. On the institutional front, most of the countries have established Trade Facilitation Committees which act as counterparts to the projects in this area.

(ii) Assistance in the assessment of operational capacities of transit corridors

67. As part of the effort to monitor the evolution of the transit situation in the three subregions, the projects review the transit facilities, quality of services, operational standards and current transit regulations along the various corridors. In east/central and west/central Africa, the projects assess the transit situation along the main corridors linking Burundi, Rwanda, Uganda and eastern Zaire with the ports of Dar-es-Salaam and Mombasa and those linking Burkina Faso, the Central African Republic, Chad, Mali, and Niger with the main transit ports on the Atlantic coast (Abidjan, Dakar, Lagos, Cotonou, Duala, Accra and Brazzaville). In southern Africa a follow-up review was made of the northern corridor linking Malawi with the port of Dar-es-Salaam in Tanzania.

68. These reviews have highlighted the comparative advantage of each route in terms of cost, transit times, physical facilities and the pattern of customs and administrative controls. For the improvement of the information systems related to the movement of cargo along the transit corridors, the projects in the east/central and west/central subregions have continued work on the establishment of an Advanced Cargo Information System (ACIS) in some of the countries.

(iii) Assistance in negotiation of bilateral and regional agreements

69. The projects have surveyed the legal and institutional framework governing the transit operations along the main corridors in the three subregions and assessed their adequacy. Institutional mechanisms were recommended so as to ensure more effective monitoring of the implementation of agreed legal and administrative arrangements. The current work under the projects in this area is to help the Governments concerned in implementing effectively the transit agreements and arrangements in place and to propose adjustments, where appropriate. Under the project, in east/central Africa, the Governments of Kenya, Uganda and Tanzania are presently engaged in developing a protocol to regulate transit operations on Lake Victoria. The project in southern Africa supports Botswana, Lesotho and Swaziland in implementing the "Memorandum of

Understanding" with South Africa, which is intended to increase their participation in road transit haulage operations.

2. United Nations specialized and related agencies

(a) Food and Agriculture Organization of the United Nations (FAO)

70. FAO has a number of development programmes of benefit to land-locked developing countries. The FAO Global Information and Early Warning System on Food and Agriculture (GIEWS) monitors, inter alia, crop conditions, production prospects and food requirements. FAO's Food Security Assistance Scheme (FSAS) focuses on food reserve stock management, early warning and food information systems. These programmes strengthen the capacity of land-locked countries to cope with short-term food emergencies and help to assess food needs and agricultural rehabilitation requirements in the event of disasters. FAO has also continued to provide support in agricultural sector planning and policy formulation. In the fisheries and forest sectors, FAO has been implementing programmes to improve their management and development. These include training, transfer of technology and promotion of rural self-help activities.

(b) World Bank

71. The World Bank (IBRD/IDA) has contributed significantly through sector lending to the economic and social development of the land-locked countries. Bank lending to 15 land-locked countries of Africa, Asia and Latin America in 1991 was about US$ 1,588 million of which some US$ 1,454 million took the form of IDA credits. The sectoral allocation of the lending indicates that about 2.8 per cent was in support of the transportation sector. Non-project lending alone accounted for some 41 per cent of the total lending programme.

(c) International Civil Aviation Organization (ICAO)

72. Land-locked countries benefit from the assistance of ICAO to developing countries. This assistance includes technical assistance in such areas as airport management, air transport regulation and standardization of international fares and rates. Some 33 projects involving 19 land-locked countries are under way under this programme. In addition, three projects for Bolivia have been submitted to UNDP for funding.

(d) International Labour Office (ILO)

73. In the area of transport, ILO activities focus on management and institutional capacity-building to enable land-locked countries to cope with their particular problems. ILO also participates with UNCTAD and other agencies in various inter-agency projects and meetings related to the particular needs and problems of land-locked developing countries.

(e) International Maritime Organization (IMO)

74. Recent IMO assistance includes projects to assist Burundi to elaborate its inland waterway transport legislation and to assist the Marine Training College in Malawi. IMO is currently developing a regional project to assist countries

bordering Lake Tanganyika (Burundi, Tanzania, Zaire and Zambia) to harmonize lake navigation and transport regulations.

(f) International Monetary Fund (IMF)

75. Although the designation "land-locked developing countries" is not used by the Fund as a criterion for lending, these countries - which are typical producers of primary exports - are susceptible to frequent economic fluctuations and thus benefit from strong financial and technical assistance from the Fund. As of end-November 1992, the outstanding amount of Fund resources under all facilities to land-locked countries totalled SDR 1.5 billion. Eleven land-locked countries have received a total commitment of SDR 364 million from the Structural Adjustment Facility. As of 1 January 1993 arrangements were in place for total commitments from the Enhanced Structural Adjustment Facility of SDR 805 million for eight land-locked countries. Furthermore, seven land-locked countries received SDR 331 million from the Extended Fund Facility. As of 30 November 1992, three land-locked countries had made purchases under the Compensatory and Contingency Financing Facility. The Fund in collaboration with UNDP has also stepped up its technical assistance and training in economic and financial matters. Furthermore, the Fund continues to work closely with Governments to develop policy measures designed to reduce the social impact of structural adjustment programmes, as well as to develop and strengthen a dynamic private sector.

(g) World Health Organization (WHO)

76. Although WHO does not have special programmes for land-locked countries, it is sensitive to their particular geographical situation which makes transportation and access to drugs and other medical supplies more difficult. WHO seeks to address these problems in the context of its global programmes, such as the "Intensified WHO Cooperation Initiative for Countries and People in Greatest Need" and the "Action Programme on Essential Drugs".

C. Information received from intergovernmental organizations

1. African Development Bank (ADB)

77. The African Development Bank supports various efforts being undertaken by land-locked developing countries in their economic and social development. In the transport sector, the Bank's support relates to investment in the development or extension of rail and road infrastructure, procurement of transport equipment and provision of technical assistance. These countries have also benefited from improvements in transport facilities undertaken with ADB financing along the transit corridors in neighbouring coastal States.

2. Economic Community of the Great Lakes Countries

78. The Economic Community of the Great Lakes Countries (CEPGL) - grouping Burundi, Rwanda and Zaire - supports land-locked countries, particularly with regard to the negotiation of transit agreements with the coastal neighbouring States. In this context, CEPGL has assisted in the implementation of the

Northern Corridor Transit Agreement between member countries and Kenya and Uganda. It has also taken initiatives to start negotiations on a similar agreement with Tanzania to govern the flow of traffic through the port of Dar-es-Salaam. It is also providing technical assistance in the establishment of a multinational transport company which would operate multi-modal services between the lakes Kivu and Tanganyika.

3. European Community (EC)

79. The EC provides financial and technical assistance to land-locked countries within the framework of the ACP-EEC Convention. Although all the provisions of the Lomé Convention are applicable to these countries, they in addition enjoy special favourable treatment in order to assist them to overcome their geographical disadvantages and other obstacles hampering their development. Special measures have been devised which include: strengthening their capacities to implement food self-sufficiency and food security policies and strategies, building their capacities to manage their fisheries resources, establishing an infrastructural base for faster industrialization, improving their external trade performance and improving transit infrastructure facilities and services. Through the STABEX arrangements, the land-locked countries among the least developed countries, receive favourable treatment with regard to stabilization of their export earnings.

4. Inter-American Development Bank

80. The Bank's activities in Bolivia in 1992 included a loan of US$ 95 million to help finance the construction and improvement of the Beni-La Paz-Peruvian border corridor, support for pilot projects to develop the Amazonian region and the approval of a technical cooperation project to activate foreign trade operations and investment. In Paraguay, the Bank approved a loan for the Concepción-Guero Fresco road project, which is one of the main export corridors of the country. The Bank is also providing assistance to improve the efficiency of navigation on the Paraguay-Parana waterway.

5. Organization of African Unity (OAU)

81. The Lagos Plan of Action for the Economic Development of Africa (1980-2000) and the Treaty Establishing the African Economic Community have laid the foundation for special measures in favour of land-locked countries. The Plan of Action urges the coastal countries to take all the necessary measures to facilitate the transit traffic of their land-locked neighbours. Article 79 of the Treaty Establishing the African Economic Community invites member States to accord special treatment to least developed, land-locked, semi-land-locked and island countries. Furthermore, the OAU has taken the initiative to elaborate a special protocol relating to transport, communications and tourism.

6. Southern Africa Development Community (SADC)

82. SADC members have developed and maintained bilateral trade agreements between themselves, whereby they have agreed, inter alia, to grant transit facilities and services to land-locked countries. Botswana, Lesotho, Namibia and Swaziland, which are also members of the Southern African Customs Union, have in addition special preferential arrangements which relate to transport, communication and transit facilities and services.

D. Information received from non-governmental institutions

International Air Transport Association (IATA)

83. Land-locked countries benefit from technical assistance provided by IATA to its members. These include assistance in coordination of tariffs and air industry standards, and in improving cooperation among carriers. IATA also plays an important role in human capacity-building. The training programmes cover such areas as general management, finance, marketing, and operations. The international training fund to support these activities amounted to US$ 2 million in 1992. Furthermore, IATA, in cooperation with regional airline associations, has assisted in securing exemption from the new rules adopted by the European Commission and the European Civil Aviation Conference. Under these exemptions, airlines from developing countries can continue to operate to and from airports in Europe, noise-restricted aircraft that previously had operated to Europe during a specified reference period.

Notes

1/ International transport costs of land-locked developing countries, UNCTAD/LDC/Misc.10.

2/ The general overview is entitled: Transit systems for land-locked developing countries: current situation and proposals for future action, UNCTAD TD/B/LDC/AC.1/2. The five subregional studies are: Transit systems serving the land-locked countries: country profiles in West/Central Africa, UNCTAD/LDC/Misc.6; Transit systems serving the land-locked countries: country profiles in East/Central Africa, UNCTAD/LDC/Misc.7; Transit systems serving the land-locked countries: country profiles in Southern Africa, UNCTAD/LDC/Misc.8; Transit systems serving the land-locked countries: country profiles in Asia, UNCTAD/LDC/Misc.9; and Transit system for Bolivia and Paraguay, UNCTAD/LDC/Misc.15.

3/ ITC. Subregional trade potential in Africa, South of the Sahara, with particular reference to land-locked countries, UNCTAD/LDC/Misc.16.

4/ Improvement of current transit insurance arrangements for land-locked developing countries, UNCTAD/LDC/Misc.14.

5/ UNCTAD. Application of new information technology to improve transit systems, UNCTAD/LDC/Misc.17.

6/ UNCTAD. Training for transit operations, UNCTAD/LDC/Misc.18.

7/ The role of air freight in African land-locked developing countries, UNCTAD/LDC/Misc.13.